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JARED BLUMENFELD
SECRETARY FOR
ENVIRONMENTAL PROTECTION

State Water Resources Control Board

Division of Drinking Water

June 11, 2020

Mr. Jim Berry
Cazadero Water Company
P.O. Box 423
Cazadero, CA 95421

RE: NOTICE – 1st STEP OF ADMINISTRATOR PROCESS

Dear Mr. Berry,

The purpose of this letter is to inform you that the State Water Resources Control Board (State Water Board) is taking the first step to designate Cazadero County Water Company (Company) as a public water system in need of an Administrator to manage the water system because it has not consistently provided an adequate supply of affordable, safe drinking water to its customers.

The State Water Board is taking this step now for two reasons: 1) a state funded administrator will be able to take on many of the tasks that will be required to ensure the water system comes into compliance with applicable drinking water laws and regulations sustainably into the future, and 2) it may take some time to go through the required steps to appoint an administrator. A summary of the designation process, responsibilities of a full-scope administrator, applicable regulatory sections, and policies are provided as attachments.

The legally required formal first step in this process is for the State Water Board to give the Company notice of its intended action and provide the water system an opportunity to show either of the following:

- a. It has not consistently failed to provide an adequate supply of affordable, safe drinking water, or
- b. It has taken steps to timely address its failure to provide an adequate supply of affordable, safe drinking water.

E. JOAQUIN ESQUIVEL, CHAIR | EILEEN SOBECK, EXECUTIVE DIRECTOR

If the Company has evidence to show that the violations listed below have been resolved, please provide that information by **July 15, 2020** via email to Brian Kidwell at brian.kidwell@waterboards.ca.gov.

List of Violations

The Company has failed to:

- Treat the water produced by the Buckeye and Hotel wells to achieve the reduction of Giardia lamblia cysts, viruses, and Cryptosporidium required by Section 64652 of the California Code of Regulations (CCR).
- Submit a plan to treat water produced by the Buckeye and Hotel wells to comply with the California surface water treatment regulations (§64650 through §64666) by September 30, 2017 as required by directive three of compliance order 02-18_17R_011. Citation 02_18_18C_021 was issued for this violation.
- Submit a plan to treat water produced by the Buckeye and Hotel wells to be in compliance with the California surface water treatment regulations (§64650 through §64666) by April 30, 2018 as required by directive one of citation 02_18_18C_021.
- Comply with directive one of citation 02_18_18R_005 which required a description of the proposed corrosion control treatment to prevent lead and copper from leaching from the distribution and customer pipes to be submitted to the State Water Board by February 14, 2019.

The State Water Board recognizes and supports that the Company has recently begun negotiations for future management of the water system and is initiating internal work on delineation of water easements. The State Water Board proposes that these positive efforts be continued in parallel as the State Water Board goes through the actions required to appoint an Administrator. If you have any questions regarding this letter, please contact either Bruce Burton or Brian Kidwell. Due to our current COVID response, email is the best correspondence method. Bruce can be contacted at bruce.burton@waterboards.ca.gov. Brian Kidwell can be contacted at brian.kidwell@waterboards.ca.gov.

Sincerely,

[Original Signed by Michelle Frederick]

Michelle F. Frederick, P.E.
Supervising Water Resource Control Engineer, SAFER Section
State Water Resources Control Board, Division of Drinking Water

Attachment 1. Administrator Process Summary
Attachment 2. Responsibilities of a Full-Scope Administrator
Attachment 3. Section 116686 of the California Health and Safety Code
Attachment 4. Administrator Policy Handbook

cc: Supervisor Lynda Hopkins
Sonoma County Board of Supervisors
575 Administration Drive, Room 100A
Santa Rosa, CA 95403

Mr. Stephen St. Marie
Senior Regulatory Analyst
California Public Utilities Commission
505 Van Ness Ave, Location 3-111
San Francisco, CA 94102

Mr. Bruce DeBerry
Program Manager, Water Division
California Public Utilities Commission
505 Van Ness Ave, Room 3106
San Francisco, CA 94102

Mr. Lucian Filler
Deputy Executive Director, Water and Communications
California Public Utilities Commission
300 Capitol Mall
Sacramento, CA 95814

Attachment 1

Administrator Process

Section 116686 of the California Health and Safety Code and the Administrator Policy Handbook, adopted by the State Board in September 2019, requires that the State Board must find that the Company's public water system is a "designated water system" and take other specific actions before it can issue an order to the Company to accept a full-scope administrator. A "designated water system" is defined in section 116686(m)(2) as a public water system that serves a disadvantaged community, and that the State Water Board finds consistently fails to provide an adequate supply of affordable, safe drinking water. Website links of section 116686 and the Administrator Policy Handbook are provided in subsequent attachments. The actions required of the State Water Board are summarized below.

1. The State Board must give the water system notice of its actions and provide the system with an opportunity to show either of the following:
 - a. It has not consistently failed to provide an adequate supply of affordable, safe drinking water, or
 - b. It has taken steps to timely address its failure to provide an adequate supply of affordable, safe drinking water.
2. Conduct a public meeting in a location as close as feasible to the affected community.
 - a. Provide 30-day notice of the public meeting to affected ratepayers, renters, and property owners.
 - b. Provide an opportunity for representatives of the Company, affected ratepayers, renters, property owners, and the public to present oral and written comments at the meeting.
 - c. Provide an opportunity to submit comments by mail or electronically during the 30-day notice period and for at least one week after the public meeting
3. Make a reasonable effort to provide notice to all ratepayers, renters, and property owners who receive water service from the designated water system of the following:
 - a. The name and qualifications of the administrator being considered by the State Board
 - b. The scope of the appointment and the particular services to be provided by the administrator being considered by the State Board, and
 - c. Any conflict of interest
4. Issue an order to the Company requiring it to accept a full-scope administrator to take complete management control of its public water system.

Attachment 2

Responsibilities of a Full-Scope Administrator

All actions taken by an administrator are required to be in the best interest of the community served by the water system and must be intended to develop the water system's capability to sustainably deliver an adequate supply of affordable, safe drinking water so that the services of the administrator are no longer necessary. California Health and Safety Code Section 116686 and the Administrator Policy Handbook requires the State Water Board to enter into a contract or grant agreement with an appointed administrator and fund the cost of the administrator to provide the agreed upon service to the Company.

The Administrator is required to provide reports in order to keep the governing board or owner of the water system and the customers served informed about actions taken and status of the system. In addition, the Administrator Policy Handbook includes a process that allows any ratepayer, renter, or property owner who receives water from a designated water system to submit a petition to the State Water Board for the reversal or modification of an administrator decision or replacement of an administrator. A complete description of an administrator's obligations is contained in section 116686 of the California Health and Safety Code and in the Administrator Policy Handbook.

The authority and scope of work of an administrator is established on a case by case basis in the contract/grant agreement executed between the State Water Board and the administrator and in the order issued to the public water system to accept the services of the administrator. **In the case of Cazadero Water Company, the full-scope administrator appointed to it will have authority to exercise complete managerial control over its public water system, including but not limited, to financial reviews, responding and representing the Company to regulatory agencies, entering into contracts, establishing operational budgets and rates, acceptance of water rate payments to pay water system expenses, system operation, and keeping customers informed of the status of the water system.**

Attachment 3

CA Health and Safety Code Section 116686:

http://leginfo.legislature.ca.gov/faces/codes_displaySection.xhtml?lawCode=HSC§ionNum=116686.

Attachment 4

Administrator Policy Handbook:

https://www.waterboards.ca.gov/board_info/agendas/2019/sept/091719_6_cs1_cleanversion.pdf